

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6431

BILL NUMBER: SB 496

DATE PREPARED: Nov 29, 2000

BILL AMENDED:

SUBJECT: Registration of Modified Passenger Motor Vehicles.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the Bureau of Motor Vehicles (BMV) may not register as a truck a motor vehicle designated by the manufacturer with an identification number that identifies the motor vehicle as a passenger motor vehicle unless the motor vehicle has been modified to be used primarily for the transportation of property and the Bureau has inspected the motor vehicle to verify the modification for use primarily for the transportation of property.

Effective Date: December 1, 2001.

Explanation of State Expenditures: For the BMV, there likely will be administrative expenditures associated with the implementation of this proposal, specifically the staff time required for vehicle inspections. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Explanation of State Revenues: Currently, the BMV may register certain vehicles either as a truck or a passenger car. The impact to the state will depend upon the number of vehicles which could have been registered as a truck, but now will be required to be registered as a passenger car resulting in less fee revenue to the state.

The registration fee for trucks is \$25.75, while the registration fee for a passenger car is \$16.75, a difference of \$9 per vehicle. Based on data identifying the most commonly used vehicle types that could be registered as trucks, there are 136,145 vehicles which could be registered as trucks. This number includes 75,482 vans, an unknown percentage of which could be cargo vans, unaffected by this bill. Consequently, the revenue loss is estimated to be between \$545,000 and \$1.22 M. [This is based on a range of 60,663 affected vehicles (136,145-75,482) to 136,145 vehicles.]

The fund affected is the Motor Vehicle Highway Account which is distributed to the Department of Transportation and local units of government. The Department of Transportation receives 53% of the Motor

Vehicle Highway Account distribution, which in this instance would amount to between \$289,000 and \$647,000. Local units receive 47% of the Motor Vehicle Highway Account distribution.

Explanation of Local Expenditures:

Explanation of Local Revenues: Local units receive 47% of the Motor Vehicle Highway Account distribution, which in this case would amount to between \$256,000 and \$573,000. The specific impact will depend upon the number of vehicles which could have been registered as a truck, but now will be required to be registered as a passenger car.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected: Counties, cities, and towns.

Information Sources: BMV registration data.